

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana

Annual Financial Statements

As of and for the Year Ended
December 31, 2003

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana

Annual Financial Statements

As of and for the Year Ended December 31, 2002

C O N T E N T S

	Statement	Page No.
Accountant's Compilation Report		2
Basic Financial Statements:		
Enterprise Fund Financial Statements:		
Statement of Net Assets	A	4
Statement of Revenues, Expenses, and Changes in Fund Net Assets	B	5
Statement of Cash Flows	C	6
Notes to the Financial Statements		7
Supplemental Information Schedules:	Schedule	Page No.
Schedule of Compensation Paid Commissioners	1	16
Status of Prior Year Findings	2	17
Current Year Findings and Corrective Action Plan	3	18
Accountant's Report on Applying Agreed-Upon Procedures		20
Louisiana Attestation Questionnaire		24

M. Carlton Dumas
CERTIFIED PUBLIC ACCOUNTANT

389 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 337/644-5726

Accountant's Compilation Report

**BOARD OF COMMISSIONERS
COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana**

I have compiled the accompanying basic financial statements and supplemental information schedules, as listed in the foregoing table of contents, of the Columbia Heights Water District as of December 31, 2002, and for the year then ended, in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and schedules, information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance on them.

As described in Note 1 to the basic financial statements, the Columbia Heights Water District adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of December 31, 2002. This results in a change in the format and content of the basic financial statements for the year ended December 31, 2002.

Management has elected to omit Management's Discussion and Analysis which is supplemental information required by GASB. If the omitted information were included in the financial statements, they might influence the user's conclusions about the district's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report dated May 14, 2003, on the results of my agreed-upon procedures.

Carlton Dumas
Calhoun, Louisiana
May 14, 2003

BASIC FINANCIAL STATEMENTS

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana

STATEMENT OF NET ASSETS
December 31, 2000

ASSETS

Current assets:

Cash	\$83,832
Investments	323,362
Accounts receivable - water sales (net)	<u>31,806</u>
Total current assets	<u>439,000</u>

Noncurrent assets:

Restricted cash	83,189
Property, plant and equipment (net of accumulated depreciation)	<u>304,936</u>
Total noncurrent assets	<u>388,125</u>
Total assets	<u>827,125</u>

LIABILITIES

Current liabilities:

Accounts payable	17,063
Accrued interest payable	4,480
Current portion of long-term debt	33,000
Customer deposits	<u>48,383</u>
Total current liabilities	<u>99,918</u>

Noncurrent liabilities:

Long-term debt - revenue bonds payable	<u>303,293</u>
Total liabilities	<u>403,211</u>

NET ASSETS

Invested in capital assets, net of related debt	(83,367)
Restricted for debt service	58,719
Unrestricted	<u>399,782</u>
Total net assets	<u>375,134</u>

See accompanying notes and accountant's compilation report.

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS**
For the Year Ended December 31, 2002

OPERATING REVENUES	
Water sales	\$158,783
Tap fees	1,300
Other revenue	2,778
Total revenue	<u>162,861</u>
OPERATING EXPENSES	
Commissioners fees	3,600
Sales tax	7,250
Maintenance and repairs	34,377
Office expenses	4,661
Utilities	23,068
Insurance	19,906
Salaries and related benefits	48,516
Collections expense	2,835
Truck expense	3,146
Depreciation	33,883
Other operating expenses	9,012
Total operating expenses	<u>189,543</u>
OPERATING INCOME	<u>14,358</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income	13,143
Interest expense	(14,732)
Total non-operating revenues (expenses)	<u>411</u>
Change in net assets before cumulative effect of change in accounting principle	14,769
Cumulative effect on prior years of changing the estimated useful lives of capital assets	<u>(274,808)</u>
Change in net assets	<u>(260,113)</u>
NET ASSETS - BEGINNING	<u>428,217</u>
NET ASSETS - ENDING	<u>168,114</u>

See accompanying notes and accountant's compilation report.

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2002

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$260,268
Customer deposit receipts, net	2,337
Payments to suppliers	(121,117)
Payments to employees	<u>(32,133)</u>
Net cash provided by operating activities	<u>\$2,485</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Principal paid on capital debt	(21,661)
Interest paid on capital debt	(15,007)
Increase in restricted cash	<u>(4,671)</u>
Net cash used by capital and related financing activities	<u>(41,339)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	13,143
Increase in investments	<u>(13,915)</u>
Net cash provided by investing activities	<u>1,228</u>

NET INCREASE IN CASH 12,382

CASH AT BEGINNING OF YEAR 71,430

CASH AT END OF YEAR \$83,812

Reconciliation of Operating Income to Net Cash

Provided by Operating Activities	
Operating Income	<u>\$14,296</u>
Adjustments:	
Depreciation	33,893
Decrease in accounts receivable	2,927
Decrease in accounts payable	(1,138)
Increase in customer deposits	<u>2,527</u>
Total adjustments	<u>38,187</u>
Net cash provided by operating activities	<u>\$52,493</u>

See accountant's compilation report and accompanying notes.

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2002

INTRODUCTION

The Columbia Heights Water District was created by the Caldwell Parish Police Jury as authorized by Louisiana Revised Statute 33:3811 for the purpose of supplying safe drinking water to the population of the district. The district is governed by a five member board appointed by the police jury. Columbia Heights Water District commissioners receive \$60 per meeting attended. The district serves approximately 672 customers and has three employees.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Columbia Heights Water District is considered a component unit of the Caldwell Parish Police Jury. As a component unit, the accompanying financial statements may be included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Statements

Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (RSI) consist of:

- (1) Management's discussion and analysis (MD&A)
- (2) Statement of net assets
- (3) Statement of revenues, expenses, and changes in net assets
- (4) Statement of cash flows
- (5) Notes to the financial statements
- (6) RSI other than MD&A, if applicable

The Columbia Heights Water District is a special-purpose government engaged only in business-type activities.

See accountant's compilation report.

COLUMBIA HEIGHTS WATER DISTRICT
Notes to the Financial Statements

**B. Measurement Focus, Basis of Accounting, and
Financial Statement Presentation**

Enterprise fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Private-sector standards of accounting and financial reporting issued prior to December 31, 1989, generally are followed in the enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The Columbia Heights Water District has elected not to follow subsequent private-sector guidance.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operation. The operating revenues of the Columbia Heights Water District are water sales, tap fees and other miscellaneous operating revenues. Operating expenses for enterprise funds include the costs of the services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Deposits and Investments

Cash includes amounts in interest-bearing and non-interest bearing demand deposits. State law allows the district to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At December 31, 2002, the district's investments consist of nonnegotiable certificates of deposits with original maturities that exceed 90 days that are reported in the accompanying financial statements at cost.

D. Receivables

Receivables for water sales are shown net of an allowance for uncollectible amounts. The allowance is an estimate based on the amount of receivables that are past due and the amount collected in the month following the month billed.

See accountant's compilation report.

COLUMBIA HEIGHTS WATER DISTRICT

Notes to the Financial Statements

E. Restricted Assets

Certain monies set aside for the repayment of revenue bonds are classified as restricted assets on the balance sheet because their use is limited by the debt agreement.

F. Capital Assets

Capital assets, which include land, the water systems, and equipment are reported in the enterprise fund financial statements. All of the district's capital assets are capitalized at historical cost. The Columbia Heights Water District maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Lives</u>
Infrastructure - Water system	35 years
Equipment	5 - 10 years

G. Long-term Obligations

Long-term debt such as revenue bonds payable are reported as liabilities in the statement of net assets.

II. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosures, and revenues, expenditures, and expenses during the reporting period. Actual results could differ from these estimates.

3. DEPOSITS IN FINANCIAL INSTITUTIONS

At December 31, 2002, the district has cash and investments (book balances) as follows:

See accountant's compilation report.

COLUMBIA HEIGHTS WATER DISTRICT

Notes to the Financial Statements

Non-interest bearing checking accounts	\$80,803
Interest bearing savings accounts	85,159
Investments - certificates of deposit	<u>323,562</u>
Total	<u>\$489,524</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2002, the Columbia Heights Water District has \$488,795 in deposits (collateral bank balances). These deposits are secured from risk by \$190,832 of federal deposit insurance and \$489,443 of pledged securities held by the custodial bank in the name of the fiscal agent bank (CASH Category 2).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of CASH Statement 3, Louisiana Revised Statute 38:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 90 days of being notified by the district that the fiscal agent bank has failed to pay deposited funds upon demand.

3. ACCOUNTS RECEIVABLE

At December 31, 2002, the district has net receivables of \$31,806 as follows:

Water sales	\$37,419
Allowance for uncollectible accounts	<u>(5,613)</u>
Net receivables	<u>\$31,806</u>

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2002, is as follows:

	Balance at January 1, 2002	Increases	Decreases	Balance at December 31, 2002
Capital assets not being depreciated:				
Land	<u>\$57,489</u>	<u>NONE</u>	<u>NONE</u>	<u>\$57,489</u>

See accountant's compilation report.

COLUMBIA HEIGHTS WATER DISTRICT
Notes to the Financial Statements

	<u>Balance at January 1, 2002</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2002</u>
Capital assets being depreciated:				
Water system	\$992,133			\$992,133
Equipment	49,366			49,366
Total capital assets being depreciated	<u>1,041,499</u>	<u>NONE</u>	<u>NONE</u>	<u>1,041,499</u>
Less accumulated depreciation for:				
Water system	843,369	\$28,580		871,959
Equipment	16,960	3,313		20,273
Total accumulated depreciation	<u>860,329</u>	<u>31,893</u>	<u>NONE</u>	<u>892,222</u>
Total assets being depreciated, net	<u>\$181,170</u>	<u>(\$33,893)</u>	<u>NONE</u>	<u>\$147,277</u>

Depreciation expense of \$33,893 for the year ended December 31, 2002 was reported in the statement of revenues, expenses, and changes in net assets.

A LONG-TERM OBLIGATIONS

The following is a summary of long-term debt (revenue bonds payable) transactions for the year ended December 31, 2002:

Revenue bonds payable at January 1, 2002	\$308,094
Additions	NONE
Reductions	<u>(21,681)</u>
Revenue bonds payable at December 31, 2002	<u>\$286,413</u>

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term obligations as of December 31, 2002:

Current portion	\$23,600
Long-term portion	<u>262,793</u>
Total	<u>\$286,393</u>

See accountant's compilation report.

COLUMBIA HEIGHTS WATER DISTRICT
Notes to the Financial Statements

All outstanding debt at December 31, 2002, in the amount of \$288,293 are revenue bonds payable with maturities from 2003 until 2020 and 4.75% to 5% interest rates. Loan principal and interest payable in the next fiscal year are \$23,000 and \$34,268, respectively. The individual bonds are as follows:

	<u>\$288,500</u>	<u>\$335,100</u>
	<u>Bonds</u>	<u>Bonds</u>
Original issue date	3/20/69	6/11/90
Interest rate	4.75%	5.00%
Final payment due	1/1/07	6/11/20
Interest to maturity	\$8,366	\$120,898
Principal outstanding	\$64,293	\$234,000
	Water	Water
Funding source	revenue	revenue

The loans are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	<u>Payments</u>	<u>Payments</u>	
2003	\$23,000	\$14,268	\$37,268
2004	23,685	13,153	36,838
2005	24,362	12,006	36,368
2006	25,091	10,827	35,918
2007	24,175	9,612	33,787
2008 - 2012	\$4,000	\$8,350	\$12,350
2013 - 2017	20,000	24,500	44,500
2018 - 2020	\$4,000	5,500	\$9,500
Total	<u>\$188,293</u>	<u>\$128,218</u>	<u>\$316,511</u>

6. RESTRICTED NET ASSETS

The bond covenants with the United States Department of Agriculture, Farmers Home Administration for the long-term revenue bonds discussed in note 5 above, requires the district to establish the following reserve accounts:

- A. A "Sinking Fund". The district transfers 1,648 into this fund each month. Such transfers will be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

See accountant's compilation report.

COLUMBIA HEIGHTS WATER DISTRICT

Notes to the Financial Statements

- B. A "Reserve Fund". This fund may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Sinking Fund and as to which there would otherwise be default.
- C. A "Depreciation Fund". The district transfers into this fund \$274 each month. Money in this fund may be used for the purpose of paying the cost of extraordinary repairs or replacements which are necessary to keep the system in operating condition and for which money is not available in the maintenance and operation fund. Money in this fund may also be used to pay principal and interest on the bonds at any time there is not sufficient funds in the other bond funds.

At December 31, 2002, the district has set aside \$85,199 to meet the reserve requirements. These deposits are reported as restricted cash on the district's statement of net assets.

7. ACCOUNTING CHANGES

Accounting changes made during the year involve a change in accounting estimate due to changing the estimated useful life of the water system from 40 years to 25 years. The cumulative effect on prior years of changing the useful life of these assets is \$274,820 and is reported on the statement of revenues, expenses, and changes in net assets for the year ended December 31, 2002.

8. RISK MANAGEMENT

The district purchases commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

See accountant's compilation report.

SUPPLEMENTAL INFORMATION SCHEDULES

See accountant's compilation report.

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended December 31, 2002

COMPENSATION PAID COMMISSIONERS

The schedule of compensation paid to commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As provided by Louisiana Revised Statute 33:3819, Columbia Heights Water District commissioners receive \$60 per meeting attended.

STATUS OF PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior year findings is presented in Schedule 2.

**CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN**

The corrective action plan for current year findings is presented in Schedule 2.

See accountant's compilation report.

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, LouisianaSCHEDULE OF COMPENSATION PAID COMMISSIONERS
For the Year Ended December 31, 2002

Leon Blazo	\$720
G.H. Childress	720
Ronnie Darden	720
Marshall Davis, Jr.	720
Jon McClanahan	<u>720</u>
Total	<u>\$3,600</u>

See accountant's compilation report.

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, LouisianaSTATUS OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2002

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action</u>
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There were no prior year findings.

See accountant's compilation report.

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, LouisianaCURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2002

<u>Reference</u> <u>Number</u>	<u>Description of Finding</u>	<u>Corrective</u> <u>Action</u> <u>Planned</u>	<u>Name of</u> <u>Contact Person</u>	<u>Anticipated</u> <u>Completion</u> <u>Date</u>
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There are no current year findings.

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Division Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

189 BROOKHOLM ROAD • COLUMBIA, LOUISIANA 71225 • TELEPHONE 318/844-5726

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

**BOARD OF COMMISSIONERS
COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana**

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of the Columbia Heights Water District and the *Legislative Auditor, State of Louisiana*, solely to assist the users in evaluating management's assertions about Columbia Heights Water District's compliance with certain laws and regulations during the year ended December 31, 2002 included in the accompanying *Louisiana Assertion Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 28:2211-2251 (the public bid law).

There were no expenditures for materials and supplies that exceeded \$15,000 nor were there public works expenditures exceeding \$100,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1301-1324 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

BOARD OF COMMISSIONERS
COLUMBIA HEIGHTS WATER DISTRICT
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 2002

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

There were no names on the employee listing that were also included on the listing of immediate family members.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

The district was not required to adopt a budget for the year ended December 31, 2002.

6. Trace the budget adoption and amendments to the minute book.

See results of procedures listed under agreed-upon procedure (5).

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5 % or more or if actual expenditures exceed budgeted amounts by 5% or more.

See results of procedures listed under agreed-upon procedure (5).

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:
- (a) trace payments to supporting documentation as to correct amount and payee;
 - (b) determine if payments were properly coded to the correct fund and general ledger account;
 - (c) determine whether payments received approval from proper authorities.

An examination of six randomly selected disbursements disclosed the following:

BOARD OF COMMISSIONERS
COLUMBIA HEIGHTS WATER DISTRICT
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 2002

- (a) The six selected disbursements were properly supported as to amount and payee.
- (b) The six selected disbursements were properly coded to the correct fund and general ledger account.
- (c) The six selected disbursements received approval from proper authorities.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by USA-HS 42-1-12 (the opening meetings law).

A notice of each meeting is posted at the location of the meeting at least 24 hours prior to the meeting.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I examined all bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the board meetings and an examination of payroll records indicated no payments which may constitute bonuses, advances, or gifts.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

BOARD OF COMMISSIONERS
COLUMBIA HEIGHTS WATER DISTRICT
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 2002

This report is intended solely for the use of management of the Columbia Heights Water District and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.



Calhoun, Louisiana
May 14, 2003

Louisiana Attestation Questionnaire

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the *Louisiana Governmental Audit Guide*.

M. Carleen Dumas
Certified Public Accountant
369 Donaldson Rd.
Cathouse, La 71225

Mrs. Dumas,

In connection with your compilation of our financial statements of the Columbia Heights Waterworks District as of December 31, 2002 and for the year then ended, and as required by Louisiana Revised Statute 24:213 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on information available to us as of _____.

PUBLIC BID LAW

1. The provisions of the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

Yes ☒ No ☐ N/A ☐

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. It is true that no employee or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone which would constitute a violation of LSA-RS 42:1101-1114.

Yes ☒ No ☐ N/A ☐

3. It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980 under circumstances which would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐ N/A ☐

BUDGETING

4. We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-94) or the budget requirements of LSA-RS 39:43.

Yes ☒ No ☐ N/A ☐

ACCOUNTING AND REPORTING

5. All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐ N/A ☐

6. We have filed our annual financial statements in accordance with LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 38:52, as applicable.

Yes ☒ No ☐ N/A ☐

7. We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes ☒ No ☐ N/A ☐

MEETINGS

8. We have complied with the provisions of the Opening Meetings Law, LSA-RS 42:1-12.

Yes ☒ No ☐ N/A ☐

DEBT

9. We have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410-60.

Yes ☒ No ☐ N/A ☐

ADVANCES AND BONUSES

10. We have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-329.

Yes ☒ No ☐ N/A ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known non-compliance which may occur subsequent to the issuance of your report.


President


Date